

**STATEMENT OF
COMMISSIONER JONATHAN ADELSTEIN
APPROVING IN PART, DISSENTING IN PART**

In the Matter of Amendment of Part 22 of the Commission's Rules To Benefit the Consumers of Air-Ground Telecommunications Services; Biennial Regulatory Review—Amendment of Parts 1, 22, and 90 of the Commission's Rules, WT Docket No. 03-103

Amendment of Parts 1 and 22 of the Commission's Rules To Adopt Competitive Bidding Rules for Commercial and General Aviation Air-Ground Radiotelephone Service, WT Docket No. 05-42

Application of Verizon Airfone Inc. for Renewal of 800 MHz Air-Ground Radiotelephone License, Call Sign KNKG804, File No. 0001716212

Report and Order and Notice of Proposed Rulemaking, adopted December 15, 2004.

The prospect of high speed Internet services in the airplane cabin should be met with great support. As we jet off to our latest destination, we all have an interest in downloading or uploading a presentation on the way to a conference, catching up on personal and corporate e-mail accounts for a couple of hours, or maybe even doing some on-line shopping for a child's upcoming birthday.

It seems the stuff of Buck Rogers, but we already are seeing the deployment of satellite-based high-speed Internet services on international long-distance routes. And with today's decision, we take an important step towards promoting terrestrial-based broadband services for domestic air travel. We configure our rules to allow for next-generation broadband air-ground services. Equally as significant, we rightly conclude that these broadband services can be provided with three megahertz of spectrum, and that it is technically feasible for two licensees to provide broadband air-ground service with overlapping three megahertz licenses.

I am pleased that these technical decisions have allowed us to move away from only making available a single four megahertz license and to put in place restrictions that ensure that one licensee does not control all of the 800 MHz air-ground spectrum. Such an outcome would not have matched up with technical realities, and would in no way have served the public interest.

But we lost a golden opportunity here to guarantee true broadband competition. While a future auction likely will result in two unique licensees, it is agreed that a licensee with one megahertz of spectrum will be unable to compete against a licensee with three megahertz for a true broadband service. We could have easily made a change to the item to ensure that the broadband air-ground market would have been served by two competitors. The item already concludes that a licensing approach with two overlapping broadband licenses is technically feasible. For me, the benefits of competition in the broadband air-ground market far outweigh any minor restrictions that possibly would arise out of the overlapping license option. A competitive market ensures price discipline and technical innovation that simply may not flow from a single provider market.

The Commission has historically tried to ensure a minimum of two similarly situated licensees given the obvious problems with sole provider situations. I disagree with the decision to allow a single air-ground broadband license and dissent from that portion of the item.